



**U.S. Army Contracting Command**



# **Preparing Your Proposal to Win More Contracts: The Source Selection Trade- Off Process**

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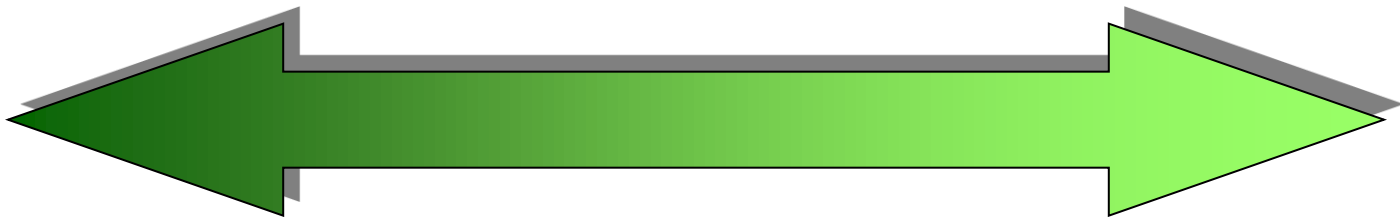
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# Best Value Continuum – FAR 15.101

**Sealed Bidding/  
Negotiated**

**Negotiated**



**Low Price**

**Technically Acceptable,  
Lowest Price**

**Source  
Selection  
Tradeoff  
Process**

**Best Value: The Expected Outcome  
of an Acquisition that, in the  
Government's Estimation, Provides  
the Greatest Overall Benefit in  
Response to the Requirement  
- Army Source  
Selection Manual**

# **The Source Selection Trade-off Process (FAR Part 15)**

- **A Process**
- **Used in Competitive Negotiated Contracting**
- **To Select the Most Advantageous Offer**
- **By Evaluating and Comparing Factors in Addition to Cost or Price**

**FAR 15.101-1(c): The Trade-Off Process “Permits Trade-offs among Cost or Price and non-Cost Factors and Allows the Government to Accept other than the Lowest Priced Proposal.”**

# Reading Your RFP – Request for Proposal Sections (Uniform Contract Format)

A	Solicitation/Contract Form
B	Supplies or Services and Prices/Costs
<i>C</i>	<i>Description/Specifications/Work Statement</i>
D	Packaging and Marking
E	Inspection and Acceptance
<i>F</i>	<i>Deliveries or Performance</i>
G	Contract Administration Data
<i>H</i>	<i>Special Contract Requirements</i>
I	Contract Clauses
J	List of Attachments
K	Representations, Certifications, and Other Statements of Offerors
<i>L</i>	<i>Instructions, Conditions, and Notices to Offerors (Includes Proposal Preparation Instructions)</i>
<i>M</i>	<i>Evaluation Factors for Award (Identifies Basis of Award)*</i>

**\*EVERY COMPETITIVE SOLICITATION HAS AN “EVALUATION FACTORS FOR AWARD” SECTION ESTABLISHING THE “BASIS OF AWARD” – (RFP SECTION M IN THE UNIFORM CONTRACT FORMAT (UCF))**

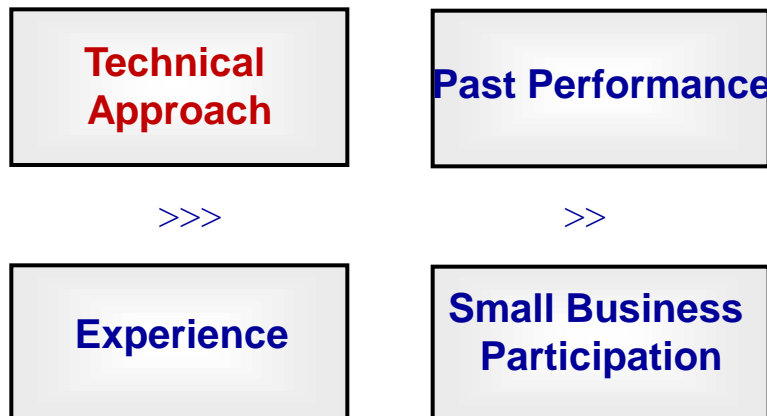
# Reading Your RFP Proposal Preparation Roadmap – Basis of Award & Evaluation Criteria Relative Order of Importance

**M.1 Basis of Award:** The Government **plans to award a single contract** for the Fighting Trailer System subject to the provisions contained herein. **The evaluation of proposals submitted in response to this solicitation shall be conducted on a source selection basis utilizing a "tradeoff" process to obtain the best value to the Government.** The Government will weigh the evaluated proposal (other than the Price Area) against the evaluated price to the Government. As part of the tradeoff determination, the relative strengths, weaknesses and risks of each proposal shall be considered in selecting the offer that is most advantageous and represents the best overall value to the Government.

**Factors:**



**SubFactors:**



## Legend

- >>> Significantly More Important
- >> More Important
- > Slightly More Important
- = Approximately Equal



# **PROPOSAL EVALUATION OF PROPOSAL RISK vs. PERFORMANCE RISK**

- **Proposal Risk vs. Performance Risk**
  - **Proposal Risk: Risks Associated with the Offeror's Proposed Approach in Meeting the Requirements of the Solicitation.**
  - **Performance Risk: Risks Associated with an Offeror's Likelihood of Success in Performing the Solicitation's Requirements as Indicated by that Offeror's Record of Current or Past Performance**

**Source - Army Source  
Selection Manual**

# *Sample RFP Crosswalk*

Factor: Technical  
Sub-Factor: **Technical Approach**

# *Sample RFP Crosswalk*

## Section C Requirements

See RFP Section C  
and Applicable  
Purchase Description  
(PD) Paragraphs:

- Corrosion Control:  
20 years IAW PD  
Para 3.2.1
- Carrying Capacity:  
7 Tons IAW PD Para  
3.2.2
- Ground Clearance:  
24 inches IAW PD  
Para 3.2.3
- Trailer Weight &  
Width: IAW PD Para  
3.2.4
- Federal Vehicle  
Trailer Certification

## RFP Section L Proposal Preparation Instructions

- RFP Paragraph L.10
- Provide substantiation  
supporting conformance of the  
Proposed Trailer to the Purchase  
Description Requirements
  - commercial literature
  - test data
  - historical information
  - analytical support
  - other supporting rationale  
or design documentation
    - Corrosion Control  
(PD Para 3.2.1)
    - Carrying Capacity  
(PD Para 3.2.2)
    - Ground Clearance  
(PD Para 3.2.3)
    - Trailer Weight, & Width  
(PD Para 3.2.4)
- Provide Federal Vehicle Trailer  
Certification or Milestones, with  
Substantiating Data, for Obtaining  
Certification

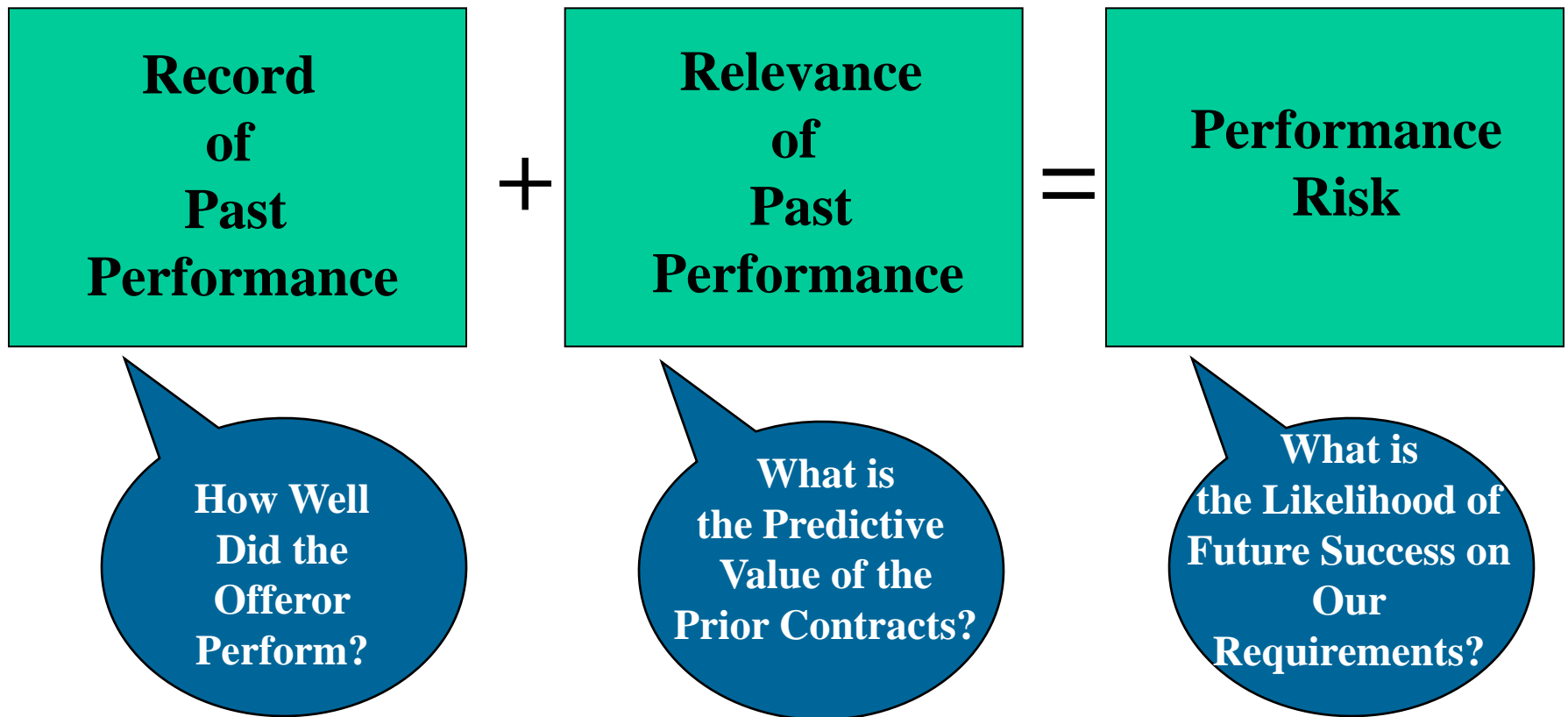
## RFP Section M Evaluation Criteria

- RFP Paragraph M.10
- **Proposal Risk Probability** Offeror  
will Timely Satisfy Requirements
  - Corrosion Control  
(PD Para 3.2.1)
  - Carrying Capacity  
(PD Para 3.2.2)
  - Ground Clearance  
(PD Para 3.2.3)
  - Trailer Weight, & Width  
(PD Para 3.2.4)
- Risk of Contractor Obtaining  
a Federal Vehicle Trailer  
Certification at the Point of the  
Contract Award

**Proposal Risk** - Those Risks Associated  
with the Offeror's Proposed Approach  
in Meeting the Requirements of the  
Solicitation- See RFP Section M

# What is a Performance Risk

## Evaluation of Past Performance





# Performance Risk – Importance of Relevance/Recency

- Past Performance Assesses Performance Risk Considering both:
  - Prior Contract Performance
  - Relevance/Recency of Prior Contract Performance





## Example 1

	Prior Contract Performance			Relevance/Recency of Prior Contract Performance			Performance Risk Rating
	<u>Contract 1</u>	<u>Contract 2</u>	<u>Contract 3</u>	<u>Contract 1</u>	<u>Contract 2</u>	<u>Contract 3</u>	
<u>Offeror</u> A	Excellent	Excellent	Excellent	Very Relevant	Very Relevant	Not Relevant	Substantial Confidence
B	Excellent	Excellent	Excellent	Somewhat Relevant	Somewhat Relevant	Not Relevant	Satisfactory Confidence

# **Reading Your RFP – When are FAR 15.306(d) Discussions Planned?**

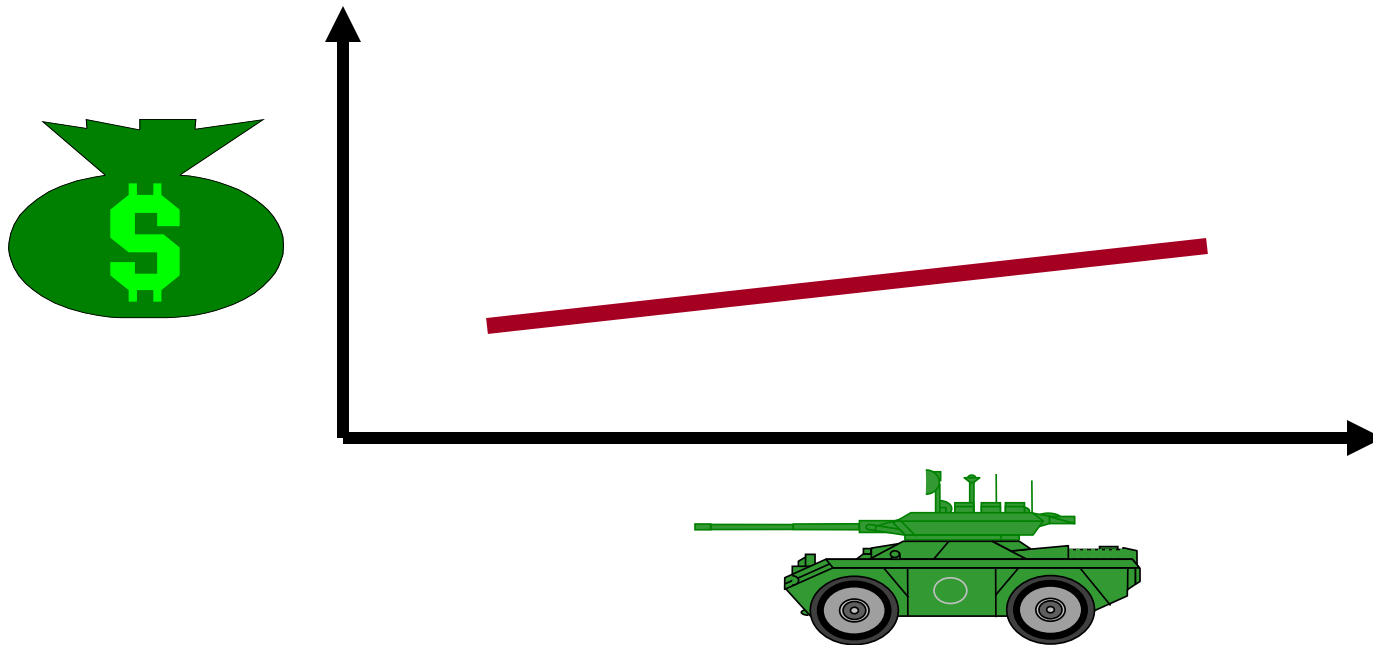
- **Does the RFP Contemplate Discussions?**
  - **FAR 52.215-1: The Government intends to Award without Discussions.**
    - **However, The Government Reserves the Right to Conduct Discussions if Necessary.**
    - **Offerors are Encouraged to Submit Proposals on Best Terms in that Discussions may not be Conducted**
  - **FAR 52.215-1(Alternate 1): The Government intends to Award a Contract after Conducting Discussions.**
    - **Offerors Still Encouraged to Submit Proposal on Best Terms in that the Competitive Range Determination will be based on the Initial Proposal Submission.**
    - **FAR & Case Law Require Conduct of Meaningful Discussions (Deficiencies, Significant Weaknesses, Adverse Past Performance)**

# **The Best Value Trade-off Decision**

-  **Is a Reasonable Business Judgment of the SSA;**
-  **Based on a Comparative Analysis of the Proposals;**
-  **Must be Consistent with the Stated Evaluation Criteria;**
-  **Must Reflect Why Perceived Non-Cost/Price Discriminators among Offerors (e.g. Better Design, Better Past Performance, Strengths/Weaknesses) are:**
  - **Worth any Necessary Price Premium, or**
  - **Not Worth Price Premium**

## Reading Your RFP – Cost vs. Non-Cost Criteria Relationship

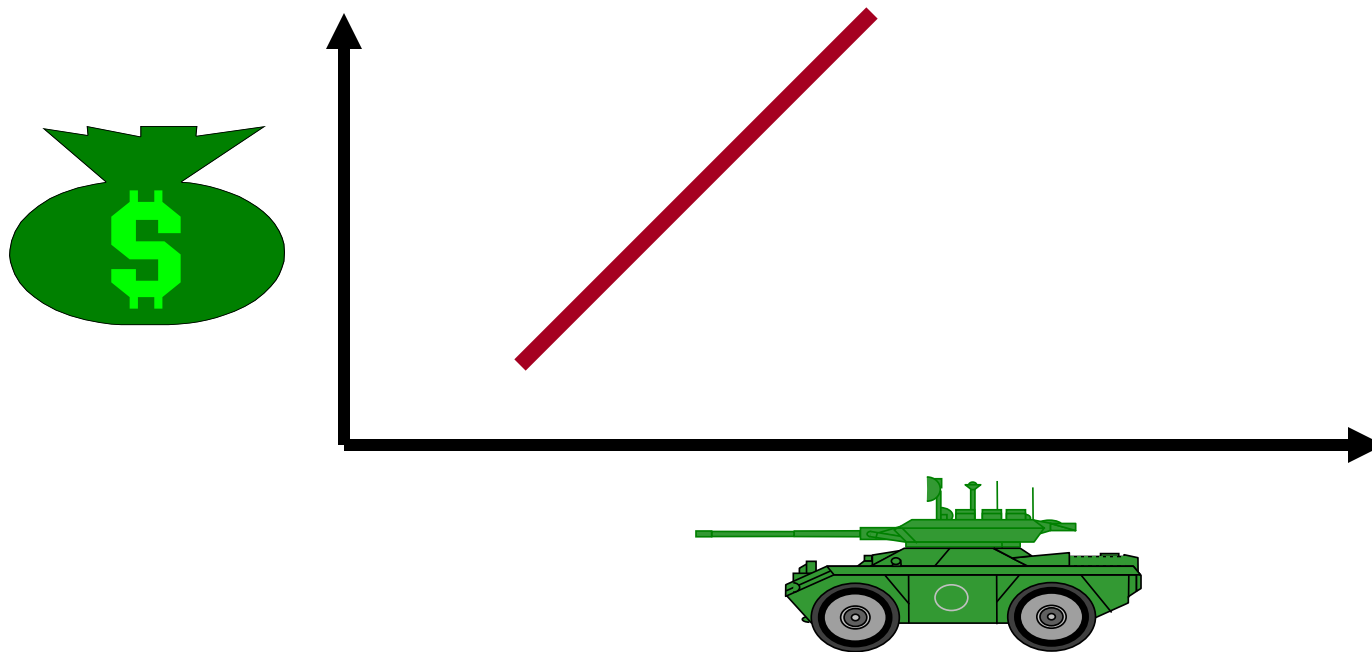
*Cost/Price more important than non-Cost Factors...*



**Proposal Formation Roadmap Message to Offeror:  
Relatively Significant Advantages Required to Pay Higher Price.**

## Reading Your RFP – Cost vs. Non-Cost Criteria Relationship

*Non-Cost Factors more important than Cost/Price...*



**Proposal Formation Roadmap Message to Offeror:  
Willing to Pay Price Premium for Relatively Smaller Improvements .**

# **Understanding the Selection Process – The Best Value Trade-off Decision**

**The Determinative Element is not the Differences in Ratings, but the Rational Judgement of the Source Selection Authority Concerning the Significance of those Differences.**

**The Analysis, Ratings and Comparisons should be used as an Aid to the Source Selection Authority's Judgement - not as a Substitute for that Judgement.**



# Source Selection Trade-Off Example

**Scenario: Past Performance is Slightly More Important than Price.**

	<u>Total Evaluated Price</u>	<u>Past Performance Rating</u>	<u>Historical Contract Relevance/Recency</u>
<b>Offeror A</b>	<b>\$1,000,000</b>	<b>Satisfactory Confidence</b>	<b>High</b>
<b>Offeror B</b>	<b>\$1,200,000</b>	<b>Substantial Confidence</b>	<b>High</b>

**Item: Turret Drive Controller – Vehicle Deadline Item**

**GFM Status: GFM To M1A2 Production Line**

**Safety Item: Yes - Controls Turret Spin**

**Stock Status: 210 Day Supply (210 Day Delivery Schedule)**

**Complexity: Moderate**

**Offeror “A” Delivery History: 30% of Recent Deliveries are 30-60 Days Late**

**Offeror “A” Quality History: Products Meet Requirements**

# Tips and Top Source Selection Messages for Offerors

- ↑ **Read the RFP Thoroughly. In Particular:**
  - **The Requirements: Statement of Work (Section C) and Delivery Schedule**
  - **Proposal Preparation Instructions (Section L)**
  - **Basis for Evaluation and Award (Section M)**
  - **Executive Summary**
- ↑ **Crosswalk RFP Sections C, L & M To Determine Precisely What Information to Include in Your Proposal**
- ↑ **Understand the RFP Section M Relative Order of Importance Statement - It is the Road Map for Preparing Your Most Competitive Proposal**
- ↑ **The Government Will Evaluate Precisely What was Announced in the RFP**
- ↑ **Your Proposal will be Evaluated in Great Part based on Risk: This Necessitates Submission of Proposal Data Substantiating the Probability of Successful Performance - Promises or Unsupported Assertions will be Evaluated as Higher Risk**
- ↑ **Consider whether Pursuing Objective/Desired Requirements will make your Proposal more Advantageous, given the Evaluation Criteria?**
- ↑ **If Your Offer is not Selected for Award, it Typically doesn't mean you had a Poor Proposal, it means that another Proposal was Comparatively more Advantageous and a Better Value – Receiving a Debriefing may Help Improve Future Proposal Submissions**

# Questions?